somebody from practicing a religion. That is what it says. So we have taken that and run with it.

So in 1962, the Supreme Court ruled the following prayer as being unconstitutional, and this is what the prayer said: "Almighty God, we acknowledge our dependence on Thee, and we beg Thy blessings upon us, our teachers and our country." I do not want anyone to believe that I am saying that a teacher ought to get on a PA system. or the superintendent, or a teacher ought to get up in class and proselytize or try to promote a particular religious agenda. I do not believe that at all. But it seems to me that many of the rulings that we have had have taken us far afield from what the Founding Fathere originally espoused.

Benjamin Franklin said this: "We have been assured, Sir, in the Sacred Writings that except the Lord build the house, they labor in vain that build it. I firmly believe this. I also believe that without His concurring aid, we shall succeed in the political building no better than the builders of Babel: we shall be divided by our little, partial local interests; our projects will be confounded; and we ourselves shall become a reproach and a byword down to future ages."

And he goes on to say this: "I therefore beg leave to move that, henceforth, prayers imploring the assistance of Heaven and its blessing on our deliberation be held in this assembly every morning before we proceed to business." So that is the inception of why we have a prayer on the House floor and in the Senate every day before we begin business. And obviously Ben Franklin was one of the Framers of the Constitution, and yet he did not seem to see that prayer was to be abolished.

George Washington said this: "The propitious," or favorable, "smiles of Heaven can never be expected on a Nation that disregards the eternal rules of order and right which Heaven itself has ordained." So when he talks about eternal rules of order and right which Heaven has ordained, obviously he is talking about some immutable principles. He is talking about some values which do not shift with the sands and the whims of individuals. So he obviously would with not agree postmodernism.

David Barton, the historian, says this: "Franklin had warned that 'forgetting God' and imagining that we no longer needed his 'concurring aid' would result in internal disputes, the decay of the Nation's prestige and reputation, and a diminished national success. Washington had warned that if religious principles were excluded, the Nation's morality and political prosperity would suffer. Yet, despite such clear words, in cases beginning in 1962, the Supreme Court offered rulings which eventually divorced the Nation, its schools, and its public affairs for more than three centuries of heritage. America is now learning experientially what both Washington and Franklin knew to be true; we are suffering in very areas they predicted."

So in referring to the establishment clause, I would like to just make a couple of observations: In 1992, that the Supreme Court ruled that an invocation and benediction at a graduation ceremony in a high school was unconstitutional. The Court held that a minute of silence in a school was unconstitutional. In a minute of silence, somebody might look out the window. somebody might think about their history test, somebody might say a prayer, but certainly this was not infringing, I would not think, on anyone's religious principles. In a student-led prayer at a football game, the students had voted that they wanted a prayer before the football game, a student would lead the prayer, and the Supreme Court said that is not constitutional.

So the thing that has happened is that we have seen some jurists who seem to have taken what I would say great liberty with the Constitution. So the Constitution is increasingly interpreted as a "living document," in quotes. So the Constitution is not interpreted as it was written, but rather as Justices believe it should be written and as it has become. So this "living document" hypothesis has changed things dramatically.

The makeup of the courts and the will of Congress will greatly influence whether we continue to drift further from our spiritual heritage or draw close to those values upon which our Nation was founded. I believe that November's elections will directly influence not only the makeup of the Congress, but also ultimately the nature of the courts, and this is something I think we need to pay close attention

So there is no question that we are engaged in a cultural and spiritual struggle of huge proportion. Much is at stake. I can only hope that the principles upon which this Nation were founded remain preeminent.

THE STATE OF OUR ECONOMY

The SPEAKER pro tempore (Mr. KING of Iowa). Under the Speaker's announced policy of January 7, 2003, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, I listened attentively to my Republican colleague's remarks, and I do have a great deal of respect for the gentleman, but I have to take issue, I should say, with some of the comments he made.

First of all, as much as he discussed about how the situation has improved in Iraq, and I am not sure that that is the case, but he did talk about how the U.S. has spent so much money on Iraq, in reconstruction in Iraq, and hospitals, schools, other activities, the bottom line is that much of that money I think would have been better spent here.

When I was home during the district work period, I think most people know that the Congress was in recess from the end of July during the time of the Democratic convention until last week during the Republican convention, and I heard constantly in my district office at the forums that I held, at the open houses at my offices, about the problems that Americans were facing, people who had lost their jobs, people who had tried to find another job and found another job that paid less or did not provide the same benefits, people who had lost their health insurance; and I really do not believe that the situation the gentleman described about the economy is at all rosy.

The economy is not doing well. The average person is really feeling squeezed because what is happening is they work harder, and, as the gentleman mentioned, productivity is up, but wages are not keeping up with it, and Americans find themselves working harder, earning less money, and facing increased costs for gas, schools to send their kids to college, and health insurance.

□ 2200

They are really not very optimistic about the future of the economy, because the situation seems to be getting worse over the last 4 years.

So this evening I wanted to really pose. and I see some of my colleagues are here, so I would like to start with some of them, but I would really like to pose the question about whether or not over the last 4 years Americans' lives have improved or gotten worse. I think for most people, the answer is definitely that they have gotten worse.

When you ask people are they better off today than they were 4 years ago when President Bush began his Presidency, the answer is no, they are not better off. I realize that my Republican colleagues spend a lot of time talking about how the situation has improved in Iraq; but, frankly, I think in many ways the money that has been spent in Iraq for reconstruction, for sewers, for hospitals, for education, has been spent at the expense of what could be done here, because as we know, many Americans really face increased costs and the inability to access health insurance, the inability to send their kids to the college of their choice, the inability in many cases even to be able to find an apartment or to pay for the gas so they can go to work.

I know that I do not want to always be pessimistic, I like to think optimistically, but the picture that the Republicans paint and the picture painted at the Republican convention last week about a rosy America and things getting better and jobs being more available, these things just simply are not true. The economy is not doing well. The job situation is not good. Most importantly, Americans feel increasingly that they work harder and that they have to pay more and that they get I have some of my colleagues here tonight. I see the gentlewoman from Texas (Ms. Jackson-Lee) is here. I know she also waited through the last hour listening to our Republican speaker. I would like to yield to her at this time.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the distinguished gentleman for yielding. I am very pleased to join him and to also be joined as part of this Special Order by the gentlewoman from Chicago, Illinois (Ms. SCHAKOWSKY).

I think the wait is important, because as we return from the work recess, and I am glad the gentleman mentioned a number of constituents that he encountered, all of us have, whether they have been in our own respective districts or States, but around the Nation, I think we are at a precipice, we are at a crisis, we are at a no-return point.

What saddens me is that we have a collective body of the executive and the majority in Congress that refuses to deal with the issues that we have heard from our constituents. Might I say to you that I did not see an R on these constituents or a D or an I, meaning Independent, or a non-voter or someone who is nonpartisan or bipartisan. I saw average Americans pleading with Members of Congress to get the job done.

Might I just share with you what our colleagues are going to be spending their time on as we look toward the November election. Rather than spending intense time on getting a serious appropriations bill, because, as you well know, we are told that we may have to return for a lame duck session, and the only reason is because we are going to take up a lot of time, not on the serious issues, but on the frivolous issues that will just create the kind of political and social divisiveness that the Republicans want to see happening.

For example, I am told that the other body is going to take up the flag-burning amendment. As I understand it, Flag Day was 2 or 3 months ago. All of us understand that there are differences of opinion; but, more importantly, I do not know the last time that a flag in the United States has been burned over the last 20 years. So we are going to be dealing with that debate and question.

I understand they are going to be talking about abortion, taxes, reforming the legal system, and, of course, amending the Constitution. None of those deal with the issues that are hurting Americans today, Americans who are trying to send their children to college, those of us who have seen young people graduate from high school and their parents, middle-class parents, not having the resources, the Pell grants, the various scholarships that are necessary, because they happen to be in the middle-class squeeze. Many of them, in fact, are part of those 3 million who have lost jobs under the Republican Congress and Republican administration. In fact, this administration has already lost almost 2 million jobs; more than 5 million Americans have lost their health care, and jobs are still being shipped overseas.

So I would just like to briefly focus on health care and focus on security. I serve on the Select Committee on Homeland Security and spent a number of days in the month of August in hearings here in Washington, had the privilege of joining my colleagues, the gentleman from Texas (Mr. Ortiz), and the gentleman from Texas (Mr. Turner), at the border looking at crisis issues dealing with the necessary resources that our Border Patrol needs.

By the way, our Border Patrol said they do not want the military there, as many of the Republicans have tried to do over and over again, but they do want increased resources to secure the homeland by safeguarding the border.

But let me just simply say in the course of looking at America's needs, in addition to the loss of 2 to 3 million jobs and no replacement of such, the last month we saw only 144,000 jobs, way below the necessary job creation in order to catch up with the 3 million jobs lost.

While I was home in the district, I had a teacher that used to be, I believe, either a Teamster or steel worker, I think he was a Teamster, and he was indicating that he educated himself through his union work. He cannot get health insurance for his children through the State of Texas. He is a teacher teaching our children, but he cannot afford the kind of quality health insurance; he cannot pay for it.

Mr. PALLONE. Mr. Speaker, reclaiming my time, I have to say, when I had the open houses, and at my typical open house I will have 100 people show up at one of my offices, that was the biggest concern. People had lost their health insurance, were not able to get it on the job anymore.

Again, the problem that I see is that this Bush administration talks about how they are going to improve access to health insurance, how they are going to improve access to college, No Child Left Behind. But when you talk to the people, the reality is things are getting worse on every one of these fronts. We saw statistics 2 weeks ago, a report came out, that said we started out with 40 million uninsured 4 years ago. Now it is 45 million. Just an example.

Ms. JACKSON-LEE of Texas. If the gentleman will yield further, it is continuing to grow. I know we as a body, as a Congress, have increased our access to the Web or access to the Internet. It would be interesting as we debate these issues in Special Orders, would it not be interesting to have people sign on to the Web: "I agree with this issue," "I disagree."

I would venture to say you would get 40 to 45 million hits on this question of health care and the uninsured, because it involves working people. That is what I think our colleagues, and that

is why I am so concerned and so much wanting to respond to your question, are we better off today than we were 4 years ago, because the question is, we should be going forward.

What does going forward mean? It means we cannot talk about 44 million that did not have the insurance 4 years ago, and we are now 4 years later and we have done nothing as a Congress to stem the tide, or the Republican administration, to stem the tide of this travesty.

As I look at other issues that are impacting Americans, the other one that comes in at a very high level is, how would you say it, the dismantling of the pension systems of Americans around the country, whether it is a public pension system, a private pension system. Of course, Enron happens to be the poster child for that. But every single day Americans are finding out that their pensions are being decreased, diminished, or eliminated.

We have sought not to do something about that. We decided to give 1 percent of the richest Americans millions of dollars in tax cuts, but yet we have refused to come and deal with the bread and butter issues that Americans are concerned about.

I am concerned that Americans have to deal with these bread and butter issues. I am concerned that our mothers and fathers, whom we claim to be the Greatest Generation, tomorrow will have to pay a 17 percent increase in their premium on their Medicare. I have yet to call home to my mom to be able to sort of say it softly, because I know what that will mean to someone like her that is on a fixed income. She is only symbolic of the millions of senior citizens on fixed income.

I hesitate to think, a \$2 billion check going to Florida, and by the way, not much money got to New York after 9–11 as quickly as it got to Florida, and I want it to go to Florida. I will be voting unanimously on it, I think it was passed unanimously tonight. But there are senior citizens who are not only suffering from Charley and Frances, but now they are getting hit from Washington, D.C. with a 17 percent increase in their premium.

Mr. PALLONE. Mr. Speaker, reclaiming my time, I just wanted to say if you listen to the President during his acceptance speech at the convention, he said that he was going to do all these things for seniors. Of course, he trumpeted the so-called prescription drug benefit that kicks in in 2 years, in 2006, which I think is a sham.

But when asked about this 17 percent increase in premiums for Medicare part B, he said, oh, that is because health care costs have gone up. But what he neglected to mention was the biggest factor in this increase is the fact that with that prescription drug so-called benefit, which you and I realize is really not going to be a benefit in 2 years, so much money has gone to the insurers that that is resulting in the part B increase in premium going up 17 percent. There is a link between the two.

So, once again, they say we are going to help the seniors, and the reality is that their health care costs are going up tremendously. We have not had an increase like that in part B in anybody's memory. I do not know if there has ever been that much of an increase. A lot of it is linked to this sham Medicare prescription drug benefit because so much money is going to the insurers and not actually coming back to the seniors, not to mention it does not even go into effect for a couple of years.

Ms. JACKSON-LEE of Texas. Mr. Speaker, if the gentleman will yield further, I see my colleagues here. Let me try to at least bring a few points out, and then yield back to the gentleman, because I know that everyone in their communities are finding this out.

Let me add not only to the pharmaceuticals, but the HMOs are taking a large chunk of these dollars as well, and the services, look, when you see doctors, they are complaining about the complexity of the Medicare system, the dismantling of the Medicaid system almost, where they cannot utilize that. So the victims in this are the medical professionals, nurses, nurse practitioners, doctors, hospitals and the actual consumer of the product and the other guys who stand alongside.

By the way, we all come from communities where we know that there is a lot of good work that pharmaceuticals can do. My problem is that the bad part of the business has been enhanced by this Republican agenda, that is, the 3-hour vote we had on Medicare, versus the good part, because pharmaceuticals do some good work. But the question is the benefit has not gone to the consumers. It has actually gone, in fact, to these folk that are putting money in their pocket.

What else has happened? On the front page of the Houston Chronicle today, and I think the article is all over the country, millions of dollars are being cut from research labs and research universities in America. The highest percentage of research dollars started in 1999 under President Clinton, and it continued that momentum. Now, under this administration, there are research professors that do not even know whether they will be employed. The very same researchers who found the human genome and other kinds of outstanding opportunities that we had in research, can you believe it, they are going to be shut down because we are cutting their research money.

Let me quickly just go to this question of homeland security because I think it is enormously important to point out tragically that the war in Iraq and the Afghan war, many of us understand that there is a need to finish what unfortunately was started in the wrong way.

But the problem is, as evidenced by the tragedy of seven Marines being killed in the last 24 hours, August being the highest number of casualties among our soldiers over the past couple of months, no enunciated exit strategy.

Now, let me make it very clear because our candidate, Senator KERRY, has received a beating because he has been honest, because he indicated that he voted against the \$87 billion, not out of flip-flop, but because the \$87 billion was not getting the job done and it was destroying the domestic agenda.

But the real question is what kind of exit strategy, with honor, does this administration, this Republican Congress, have? They absolutely have none. How do they mix that, Afghanistan's security and Iraq's security? I did not hear one word, much of discussion, of homeland security in the 4 or 5 days of that convention.

But let me just point out for you what is happening with homeland security in this country. A task force headed by former Senator Warren Rudman found that the United States remains dangerously ill prepared to handle a catastrophic attack on American soil. This is not a partisan report, but is cited by the 9/11 Commission.

It specifically said the Bush budgets would leave a \$98.4 billion funding gap for first responders over the next 5 years, a finding the Rand Corporation essentially seconded.

I do not believe any of these have Democratic credentials or are part of any sort of partisan activity.

This year the President is proposing to slash more than \$600 million, 14 percent, from first responder funding. Similarly, the Bush administration has allocated less than \$500 million for port security, even though the Coast Guard estimates that \$7.5 billion is needed in the next decade. This is the homeland security of this Congress and the homeland security of this administration. The majority leader said that the 9/11 Commission report is going to be high on the agenda. Maybe it is going to be high on the agenda, but they do not want to do one single thing that the 9/ 11 Commission has suggested, including the fact that this so-called intelligence director, I believe, and I have legislation on this, should be a cabinet-level position. I think that is crucial in the work that we are trying to do.

I believe that we have come back and there is no agenda in this Congress; and, frankly, I think it is important for the American people if they can sign on to a Web site and say stop fooling around with frivolous issues, divisive issues, and issues that do not provide the bread and butter questions that Americans are asking, get to work.

□ 2215

I hope that the Democrats will be able to say to the Republicans in this House, we need to work on behalf of the American people, not the November 2nd election of which they are trying to establish an agenda for and, as a result, the American people are suffering. I am delighted to join the gen-

tleman and I hope that we will continue to work so that the American people can see that there are those who believe that their jobs are to improve their quality of life.

Mr. PALLONE. Mr. Speaker, I want to thank the gentlewoman. I know I started out asking the question, are you better off than you were 4 years ago, and I was primarily focusing on it from an economic point of view. But as the gentlewoman points out, from a security point of view as well, we can easily say that in the aftermath of 9-11. we can say that the recommendations of the 9-11 Commission and the idea of making the homeland more secure, we can really not make the case that that has happened either under this administration, so I think that is a good point that the gentlewoman makes.

I yield to the gentlewoman from Illinois.

Ms. SCHAKOWSKY. Mr. Speaker, I thank the gentleman from New Jersey for leading us in these Special Orders so that we can talk truth to the American people.

The fact of the matter is that a large majority of Americans do think that the country is going in the wrong direction. They do not think they are better off today. In listening to some of our colleagues on the Republican side, it sounds like they think that the American people just do not get it; that if they would just look at their charts and really understand the truth, they would understand that things are really better.

But the fact of the matter is that it is the Republicans who do not get it, or are not listening to the people who are telling them that no, in fact, maybe they do not even read the newspapers. except the articles they like to read, because the headlines, I think it was during the convention, in fact, that were saying that, in fact, a million more people now are without any health insurance in the United States of America, that more Americans have fallen into poverty in the United States of America. The fact that there is the kind of poverty that we have here in the richest country in the world is a disgrace in and of itself, or that there are people without health care.

We are facing health care issues in my family, and one of my loved ones was just in the emergency room, got a bill for one night in the emergency room, \$16,500. Now, fortunately, she has health insurance. What if she did not? She would have a bill for \$16,500. You find me an American family that can easily absorb that kind of thing.

Mr. Speaker, we know that college tuition is up. We know that wages for average workers are down. We know that there are problems in after-school programs all over. We know that property taxes are going up, often wiping out any possible tax benefit that they may have had on their income tax, if any. We know that seniors are going to

be paying more for Medicare. Maybe they got a measly check for a refund on their income tax, more than eaten up by the increase that they are facing in their prescription drugs and then their Medicare premiums. So they better check it out. The American people understand the country is going in the wrong direction and the economy is not good.

But I bring my colleagues good news. I have found the people who are benefiting. My husband has a pilot's license, so he gets all kinds of mail and he got this in the mail, a beautiful picture of a private jet. And it says on the front, "Bank with it. Land the ultimate tax benefit with a Cirrus highperformance aircraft." You look on the back and it says, "Deduct up to 79 percent. Your defining moment is now. Better get moving. Take delivery of the internationally acclaimed Cirrus aircraft before December 31st, 2004, and you will be able to take off with more than you think. Interested, aren't you? For only \$220,000, you can purchase a Cirrus srV." That is the low-end Cirrus plane. And, it says, "You must act quickly to take advantage of this incredible tax advantage. Delivery slots are limited for the remainder of 2004." and then they cite the Jobs and Growth Tax Relief Act of 2003. "If you ever needed an incentive to fly, this is it,' they say.

The Jobs and Growth Tax Relief Act of 2003, this new law makes the purchase of a new aircraft financially more attractive than ever, by providing increased incentives for new aircraft purchases delivered before December 31, 2004. This law allows bonus depreciation up to 50 percent off the purchase price of the new aircraft, and then it talks about additional write-

offs.

Anyway, so get out your checkbook; \$220,000 for a Cirrus srV. Your total first-year deduction, first-year deduction, \$172,800, or 79 percent.

So do not tell me that there are not people benefiting from this tax cut. We got another ad that my husband cut out from Flying Magazine which he subscribes to that shows the man with his jacket flung over his shoulder coming out of this airplane. I guess this is the guy who has benefited or can benefit from the tax cuts.

Now, you explain to people who do not have a job, have been looking for a job, who cannot afford that \$16,500 bill in the emergency room of a hospital, who cannot send their child to college, who does not have any health benefits from the new job that he or she got because there are not any benefits, why this is so doggone important. "Bank with it. Land the ultimate tax benefit with a Cirrus high-performance aircraft."

These are the people, this is the priority of this administration, while the rest of us, of our I guess not very smart constituents who have not figured out how great the economy is and are struggling every night at their kitchen table to figure out just how to make ends meet and have a decent life for their family. You better believe that for most Americans, this means nothing. This is a slap in the face to them.

We can do better as a country. If they think the country is in the wrong direction, it is. It is topsy-turvy, when we are not looking at those people who want an after-school program for their child, or want to be able to send their kid to college, that we are going to be able to provide a 79 percent tax break to somebody buying a private jet.

I thank the gentleman for letting me talk about this tonight.

Mr. PALLONE. Mr. Speaker, I appreciate the gentlewoman's comments, because we need to point to personal examples to show how the policies of this administration are impacting real people, and I think that that is really one of the best. I am sure that is one of those tax loopholes that was put into the jobs bill, or whatever that bill was called, the tax bill of the Committee on Ways and Means at the request of the small aircraft companies, and it is just incredible.

I want to yield to the gentleman from Maine, but first, one of the people that came into my office when I had an open house one day, and I said it was mostly about health care and the loss of health insurance, was a guy from Edison, New Jersey, which is my largest town, and he worked for the Frigadaire plant, which made refrigerators, air conditioners, that kind of thing, and the plant closed this year and there were 1,500 jobs, they all went to China. And he came to my office because under the Job Retraining Act or something that Republicans, whenever they pass these trade bills, they say oh, do not worry, because we are going to provide all kinds of retraining. And as my colleagues know, President Bush has cut all of the retraining money, so whatever was promised out there when you lost your job that you are going to get retrained, most of that has disappeared. In New Jersey, it has pretty much dried up, the Federal dollars.

So he came in and he actually found a job which paid a little less and did not have quite the benefits of the one he lost, but still was a pretty good job. In order to get it, he had to go through some training program that was supposedly funded by the Federal Government. When he showed up at the training program, they told him that the money had been cut, there was not any more money. So he actually lost the job. It was an opportunity to find a job that paid a reasonable amount, and he lost the job because the training money was not there.

Every promise that we get from this administration, whether it is prescription drugs, or expanded health care, or more opportunities for college, or retraining, if you lose your job, it just all ends up being not true. I mean I do not know how to say it. I do not want to say it is a lie, but it is just not true. The funding is not there, the programs

are not there. It is just a lot of hype, and that is what we are getting and continue to get from this administration. But I want to thank the gentlewoman for providing a really good example. Thanks.

I yield to the gentleman from Maine, one of our champions on the health care issue.

Mr. ALLEN. Mr. Speaker, I thank the gentleman from New Jersey for holding this Special Order on whether or not Americans are better off than they were 4 years ago. I particularly want to thank the gentlewoman from Illinois, because I thought that was a great example of how the very wealthiest among us can benefit enormously from the administration's tax cuts, and yet the rest of the people are basically left high and dry. That is why 50 percent of the American people have not noticed any benefit at all from the Bush tax cuts.

But that is a very good example, because it is possible, as we all know in politics, to repeat something over and over again, even if it is not true, and persuade a certain number of people that it is. I give my colleagues this example. I was coming down from Maine on the plane today and talking to the fellow on the plane and we got talking about these tax cuts which most people know are weighted for the wealthiest people in this country. And he said, Well, but don't these small businessmen and women, aren't they the ones who create most of the jobs? And you realize what the administration has been able to do. They have been able to hoodwink a certain percentage of the American people into believing that the very, very wealthiest people in this country are the small businessmen and women. Well, small businessmen and women in my State are not making \$1 million a year. Maybe a few are, and I hope we will have more of them. But the cold, hard truth is, a lot of them are struggling to get by. They are really struggling with the rapid rise in their health care costs, but it simply is not true that the Bush tax cuts go to the small business community in general.

But what the administration has done and what the Republicans in Congress have done is marvelous. They have described as a small businessman the typical person who is worth a half a billion dollars, a half a billion dollars, and just because he or she has some investment somewhere in some small business, they are described as a small businessman. That is what they have done to distort the truth.

If you stand back and go to the question that you posed earlier, are most Americans better off today than they were 4 years ago? That is an appropriate question to ask. Because though elections are about the future, the record of the incumbent is really something that needs to be examined. The President and the congressional Republicans are saying, stay the course. We are back on track. The economy is

doing well. Well, when the election hits, we will still be down a million private sector jobs over 4 years. This is not a 12-month problem, an 18-month problem, it is a 4-year problem. We have lost over a million private sector jobs during the Bush administration. No President since Herbert Hoover, 80 years ago, no President has had that poor of a record on job creation.

So let us think about this problem generally. Do we want to know how the economy is doing? Let us talk about jobs. We are down a million in the last 4 years; wages, median incomes in terms of real dollars adjusted for inflation are down; and health care. And what has happened in health care? Two things. The cost of health care, the premiums that people are paying, particularly in the small business community, are going up and going up rapidly. In my State of Maine, small businessmen and women will tell me, their premiums are going up 20, 30 percent a year, year after year after year. So that is one problem. The second problem is, we have seen an increase of 5 million people during George Bush's first term, 5 million people who no longer have any health insurance at all. Stay the course? Support the President? We are on the right track? It makes no sense

The cold, hard truth reflected in these numbers is that this administration has paid attention to the stock market and to people earning \$1 million or more a year, tried to provide them the benefit and tried to hoodwink the rest of the American public into believing, if only we take care of the very wealthy and we give them tax breaks, then all of the benefits will trickle down and jobs will be created.

□ 2230

Well, the proof is in the pudding. If that strategy made sense, then the 2001 tax cut and the 2003 tax cut should have produced, according to the President's estimates, according to his Council of Economic Advisors, 7 million new jobs. And instead we are down 1 million, more than 1 million.

So all one has to do is see what they promised and look at the results. This is not a strategy that worked in the 1980s; it is not a strategy that is working today.

One other factor that ought to be thrown in, we have something over 1 million, 1.2 million, I am not sure of the exact number, people who have now fallen below the poverty line in the last 4 years. And we have detected what Alan Greenspan calls a softening in the economy already. For job creation, this year is worse than any single year during the Clinton administration. This is worse than any single year in the Clinton administration, and this is the year of recovery.

So it is pretty clear when you look at the numbers, when you look at the record, this administration has an abysmal record. And for most Americans, staying the course with this administration and the Republicans in Congress would be a foolhardy undertaking. And that is why I am so pleased that my colleague has held this Special Order tonight, because we have a lot to say and the numbers, frankly, speak for themselves.

Mr. PALLONE. Mr. Speaker, I thank the gentleman. One of the things, before me there was a Republican who spoke, and somebody that I admire a great deal, but he cited the reasons why the Republicans feel the economy is getting better. And some of them I thought were so off base. The one that was the most off base was he talked about how productivity had increased over the last 4 years. And that is true. But the problem is it has not benefited the worker

In other words, when I was home in New Jersey, not only did I hear from people about how they had lost their job or they had lost their health insurance, but I also heard, I found another job, I have a job, but I have to work harder and I am not getting paid as much. And that is the other reality, which is that, yes, productivity is going up, people are working harder, but they are not benefiting from it. Their real wages have decreased significantly over the last 4 years, and they do not have the pension benefits, and they do not have the health insurance benefits.

And my colleague, again, some of the things that the Republican colleague said I agreed with. He talked about character and how important it was for people to have good character and a sense of responsibility. And I think that is all true, but we are talking about people who are willing to work, in many cases work harder by his own acknowledgement than they did 4 years ago, but they should benefit from that. They should not be faced with less income in real dollars or the inability to pay for health insurance.

It is one thing to talk about character. I think Americans have a lot of character in the sense of responsibility, but they just find themselves working two jobs and in some cases three jobs and not bringing home the same amount of money in real terms that they were 4 years ago. That is the tragedy of it. It really is.

I yield to the gentleman.

Mr. ALLEN. Mr. Speaker, I thank the gentleman for yielding. I have been reading this book called "The Two-Income Trap. Why Middle Class Parents Are Going Broke" by Elizabeth Warren and Amelia Warren Tyagi. There are trends going on in our economy, have been for some time, that are making life very, very hard for middle-income Americans. One is the explosion in the cost of housing. Absolute explosion. If you want to buy a house on a safe street in a place where there are good schools, you have to pay much, much more money than you did 4 years ago, 10 years ago, 20 years ago.

Second is the cost of education. Whether one is talking about preschool

or college, the fact is that education costs a lot more than it used to, and yet it is more critical than ever before.

And the third is the cost of health care. The cost of health care is going up in a way that is just putting middle-income families right on the financial edge. And this is a world that the congressional leadership here, the Republican leadership and the administration just do not understand. And the reason I say that is because they never talk about it; they never talk about it.

And their economic policy is not directed at these people; it is directed to making sure that the wealthiest people in the country get very large tax cuts. Hopefully, the theory was, I remember when the 2003 tax cut was being debated last year, the theory was if we could gin up the stock market, then that will lift up the whole economy. Well, Main Street is more important than Wall Street. It comes down to ordinary people earning enough to be able to buy the goods that American manufacturers and American service providers have to offer.

And what we are seeing with outsourcing, with the squeeze and downward pressure on wages, more productivity as you say, but less hours worked and lower wages, now, this is really a very, very serious economic policy.

That is why I think that it is time for a change in direction in leadership. Now, the administration will say anything. And what they always say if one criticizes their economic policies or any other policies they say you are being a pessimist. You are being a pessimist. So if one points out the truth, he is criticized for being pessimistic.

Frankly, John Kerry has the right answer: we can do better. I mean, this country can do a lot better for the Republicans in Congress and the administration to be satisfied with net negative job growth over 4 years, with a decline in the median income wage level, with a dramatic explosion in the number of Americans who do not have health insurance, and rapidly rising premiums for those who do not. That is a record of failure. And why any American would vote for those who have espoused that kind of record of failure is really beyond me.

We need to have this debate to make sure that people understand that what they are saying about their economic policies is, frankly, not true, not grounded in sound economics, but is grounded, as it has been in the past, in wishful thinking. That if they help the very wealthiest, somehow the rest of us will benefit. We have had 4 years of it. It has not worked. It is time for a change.

Mr. PALLONE. Mr. Speaker, I wanted to mention one other thing. I was so glad my colleague mentioned about the housing market, because one of the other things that the Republican Member who preceded us talked about as to why things were better was he talked about low interest rates and linked

that to homeownership. Of course, I am not advocating higher interest rates. I think that low interest rates are a good thing, although they have actually gone up a little bit in the last couple of months. But my colleague pointed out how often times, and this is certainly true where I am in my district in New Jersey, that people simply cannot afford the homeownership, even with the lower interest rates.

And what I find is happening where I am in New Jersey, I live along the coast, so the housing market has gotten so ridiculous in terms of the price of a home or even an apartment or a condo or co-op, that what is happening is any new construction is being purchased by people who have a lot of money for investment. So the people who need a new home are not able to afford it, but the people that are buying the homes are investors, or a condo or co-op unit, who then seek to rent it out or something.

And I am not saying this is always the case, but my colleague is right about the prices for homes. It is just completely out of reach. What is happening is that the people who live in my hometown of Long Branch, but it is not just Long Branch, are traditionally losing their homes and have to leave. And I do not know where they are going, certainly going to leave the district because they simply cannot afford the high prices.

So even though low interest rates help many times, they help the wealthier person who will buy a second or third home rather than the younger person who is trying to buy something because they cannot afford the prices. It is absolutely true.

Mr. ALLEN. Mr. Speaker, if I could continue that thought, one of the points that Elizabeth Warren makes in this book, "The Two-Income Trap. Why Middle-class Parents Are Broke," is that often it takes two incomes in order to be able to buy a home. But once you have bought the home and you have signed the mortgage, that is a fixed expense. You cannot get out of it. It is not discretionary income. It is not like cutting back on food, skipping going out to a restaurant once in a while. These expenses have become the most important expenses.

And the reason why middle-income families today have less discretionary income than middle-income families 20 years ago is because their money is all tied up in fixed expenses. It may be a car payment; it often is a house payment. One has got to have health insurance. Those costs are there.

And we need a President and we need a Congress that will focus on the real world, not some dream world which does not take account of what is going on in the lives of middle-income Americans

I thank the gentleman again for holding this Special Order.

Mr. PALLONE. Mr. Speaker, I thank the gentleman for coming. He is always out there in front on all the health care issues and certainly tonight was no different in that respect.

Mr. Speaker, I wanted to go back to this issue that I mentioned a couple times this evening about how people are working harder but not sharing in the gains. And I particularly mention this because I guess 2 days ago was Labor Day and my Republican colleague tonight talked about productivity and increased productivity, that that was such a positive value in the economy.

There was an article in the New York Times that was actually on Labor Day this past Monday, that was essentially trying to highlight this issue of increased productivity, or Americans working harder but not sharing in the gains. It was an op-ed piece by Bob Herbert that was entitled "An Economy That Turns American Values Upside Down." Why Americans are "working harder but not sharing in the gains."

I thought that that was so relevant because it kind of goes back to the whole issue of the middle-class squeeze that many of my Democrat colleagues were talking about tonight. I just wanted to reference certain sections of this article by Bob Herbert because I thought it was so much on point.

He begins by saying that the Labor Department reported last week that 144,000 payroll jobs were created in August. And he wants to put that, of course, in perspective: "The number was below market forecasts. It was also below the number of jobs needed to accommodate the growth in the unemployment age population. In short, this was not good news. It is only by the diminished job creation standards that have prevailed since the last recession that any positive spin could be put on last month's performance."

President Bush has been out there talking about how great it was that these 144,000 jobs were created in August. And what Bob Herbert is saying is that this is a spin that has been put on it when the reality is that over the last 4 years we have lost so many jobs.

He says, and I quote again, "After almost 3 years of recovery, our job market is still too weak to broadly distribute the benefits of the growing economy. Unemployment is essentially unchanged, job growth is stalled, and real wages have started to fall behind inflation. Prolonged weakness in the labor market has left the Nation with over 1 million fewer jobs than when the recession began."

Of course, when President Bush first took office, this is the worst position in terms of recouping lost jobs in any business cycle since the 1920s. Essentially we have to go back to Herbert Hoover in order to see a situation where so many jobs have been lost.

Then Herbert goes on to say what is happening is nothing less than a deterioration in this standard of living in the United States. And this is what I really wanted to talk about is that re-

gardless of the number of jobs, the bottom line is that the standard of living is going down because people have to work harder and make less money.

He says, "Despite the statistical growth in the economy, the continued slack in the labor market has resulted in a decline in real wages for anxious American workers and a marked deterioration in job quality."

From 2000 through 2003, there was a \$1,500 loss in median household income, or basically a 3.4 percent decrease. We have a 3.4 percent loss in real income juxtaposed with a jump in productivity. "This is the part of the story that spotlights the unfairness at the heart of the current economic setup in the U.S. While workers have been remarkably productive in recent years, they have not participated in the benefits of their own increased productivity. That does not sound much like the American way.

"Today's workers have lost power in many different ways through the slack labor market, government policies that favor corporate interests, the weakening of unions, the growth of lowerpaying service industries, global trade capital mobility, the declining real value of the minimum wage, immigration and so on.

"The end result of all this is a trait of American families struggling just to hang on rather than to get ahead. The benefits of productivity gains in economic growth are flowing to profits, not worker compensation. The fat cats are getting fatter while workers, at least for the time being, are watching the curtain come down on the heralded American dream."

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I mean, I understand what my Republican colleague said earlier when he was trying to paint a rosy picture of the economy getting better. I do not even think that is true, but the bottom line is, regardless of any growth in the economy, it is not benefiting the average worker. That is why when we go home, myself and my Democratic colleagues, and we hear from our constituents, they are very pessimistic about the future because they realize that even if they have a job, that they are working harder and not making any more money in real terms and the prices for everything continue to go up.

Mr. Speaker, in the time that I have left, I just wanted to be critical, because I do not know how else to put it, of the President and the Republican convention and the way they portrayed the sort of rosy picture about America.

If you think about it, 24 years ago when Ronald Reagan was running for President, he asked American people the same question that I asked tonight, and that is, are you better off today than you were 4 years ago, but last week at the Republican national convention, every speaker that came to the podium simply ignored that question. President Bush refused to highlight any meaningful domestic accomplishments in his acceptance speech at the Republican convention.

My question, Mr. Speaker, is why are Republicans so afraid to ask the American people if they are better off than they were 4 years ago, and I think that the reason is because both the President, as well as the congressional Republicans, are smart enough to realize that if they ask the American people that question the answer for the most part would be a resounding, no, we are not better off. This is what my Democratic colleagues were saying this evening.

In fact, Mr. Speaker, President Bush's leadership on the economy has been lacking since the very early days of his administration, and I just want to get into some of these statistics about the job losses because I think they are so important.

As I said, last Friday the Department of Labor announced that 144,000 jobs were created during the month of August. That number is more than 100,000 jobs fewer than the 250,000 jobs the Bush administration estimated would be created each month this year. Over the last three months, the administration has not come close to hitting any of these estimates.

President Bush will certainly now be the first President since the Great Depression, since Herbert Hoover, to have lost jobs on his watch. Unless the economy creates 900,000 over the next few months, which is not possible really, the President will not have created one net job over the last 4 years, and if we contrast that with the economic record of President Clinton, before President Bush, Clinton created more than 20 million net jobs during his 8 years in office.

It is no wonder that the Republicans do not want to talk about their economic record and did not talk about it last week at the Republican National Convention.

Last year when the President was touting another round of his tax cuts, which I think clearly benefited the elite and more than the average American, the White House predicted that the cuts would create 2.1 million jobs in the 7 months after the passage of that tax cut bill. But what actually happened during that period? Only 296,000 jobs were created, 1.8 million short of the President's prediction. There is no indication that the tax cuts are helping the economy or that they are helping create jobs, none whatsoever.

The economic reports were so bad that President Bush's advisers refused to endorse the President's own Economic Report in which the administration predicted 2.6 million jobs would be created this year, and I think it is a good thing that the administration backed away from those estimates because there is no way its policies can create 2.6 million jobs this year.

One of my Democratic colleagues tonight talked about outsourcing, and I think that is an important factor in the issue of job loss under this administration. One of the major reasons for the current job recession is the increased exporting of high-paying, white and blue collar jobs overseas.

I mentioned an example with the gentleman who came to my office who lost his job with Frigidaire, an air conditioning plant in Edison, that basically moved to Brazil, and we lost 1,500 jobs in my district. Earlier this year, the Ford plant in my district closed, leaving more than 900 New Jersey employees without jobs.

We do not even hear President Bush talking about the outsourcing issue or the fact that jobs from New Jersey and other States are being shipped overseas. Earlier this year, we learned the Bush administration views the movement of American factory jobs and white collar work to other countries as a positive transformation that will, in the end, enrich our economy. This is the whole free-trade theme, if you will, or spin that the President puts on the whole issue of jobs going overseas, but I mean, the bottom line is our economy can continue to grow; but if it does not grow by creating jobs here and the jobs are created overseas, that seems like that is okay with President Bush but it is not okay with me. It is certainly not okay with my constituents.

If you listen to what the congressional Democrats and Senator John Kerry have been saying, we support abolishing tax breaks for companies who ship jobs overseas, and I do not know what to say. I do not know how you force the President to address this issue of outsourcing. He simply does not want to do it because I do not think he thinks that it is really a bad thing, and so he is not going to address it.

The other thing I wanted to talk about, and I talked about briefly when I mentioned this Bob Herbert article, about how the jobs that are being created, they pay substantially lower than the jobs that they replace. If you can, imagine losing your job and then searching and searching for another comparable job, only to realize that you are going to have to take a big pay cut. Well, that is what constituents who came to my office during the August break told me that was happening to them.

The new jobs being created are paying more than \$9,000 less than the old jobs that they replaced on the average in the United States. Families are being squeezed by falling incomes and rising costs. According to a Census report released last month, the typical family's income has fallen more than \$1,500 under George Bush, and essentially what you are seeing is Americans are worse off today because of the President's economic policies.

Now, this is not true if you are wealthy. If you are a wealthy individual, you are doing fine, but it is the middle class that is essentially struggling, and instead of coming up with proposals that will help the middle class, the President chooses tax breaks for companies that ship jobs overseas.

Overall, you end up with a 1.6 million job loss.

I talked tonight about how on many fronts we hear from the President or from the congressional Republicans that they are going to address some of these problems and that they are going to deal with some of the problems of the middle class squeeze. Of course, if you listened to President Bush's acceptance speech at the Republican Convention, he certainly puts a spin to suggest that somehow he is going to address the high cost of education, he is going to address the need for job training when someone loses their job.

But if you look at the actual record, and this happens to be true on so many domestic policy issues, you find that, in reality, what the Bush administration says is not what they actually do, and I just wanted to give a couple of examples that relate back to some of the issues that my colleagues mentioned tonight, and then I will conclude. Mr. Speaker.

I mentioned the whole job training issue, about how the President promised that there was going to be money for job training when people lost their jobs. In a second term, this was again in the President's acceptance speech last week at the Republican Convention, the President pledged to "double the number of people served by our principal job training program."

I talked about the guy who worked for Frigidaire in my district who was not able to get the job training that he was promised and ended up not being able to get another job when he lost his job at Frigidaire. In his 2005 budget. that is, the budget that we are now working on, the President proposed to cut job training and vocational education by 10 percent. That is \$556 million from what Congress pledged to those programs in 2002. So the President says in his acceptance speech at the Republican Convention that if he is re-elected he is going to double the number of people served by principal job training programs, but his current budget proposal would actually cut job training by 10 percent. Absolutely inconsistent.

He talked in his acceptance speech about increased funding for community colleges because we know that a lot of people who are middle class send their kids to community college because they cannot afford a 4-year college, not to mention private 4-year college.

Last year, the Bush administration proposed cutting the largest direct aid initiative to community colleges, the Perkins Program for technical vocational training, from \$1.3 billion to about \$1 billion. So here he is again, the President is saying in his acceptance speech at the Republican Convention, increased funding for community colleges. In reality, his budget that was proposed for the next fiscal year cuts money for community colleges.

The biggest program that middle class people rely on in terms of direct

funding for college education is the Pell grant proposal. In his speech he pledged to expand Pell grants for low and middle income families, but for the last 3 years, Bush has proposed freezing or cutting Pell grants, and that despite pledging in 2002 to raise Pell grants to a \$1,500 limit, the maximum Pell grant is currently \$4.050.

So, again, I can mention the health care issues, I could mention Medicare prescription drugs, education, job training. In every one of these areas, every one of these domestic what I would call priority areas, if you listened to the President's speech last week, he said we are going to address this and we are going to help the average American, but in reality, the policies for the last 3 or 4 years have done exactly the opposite.

Finally, I just want to say, if you listened to the President's speech last week at the Republican Convention, he renewed his calls to make his tax cuts permanent. This morning again I listened to the gentleman from Texas (Mr. DELAY) talk about how over the next few weeks we are going to extend the tax cuts.

The reality is that the only people that are going to benefit from these policies are high-income households. Estimates based on data from the Urban Institute, the Brookings Institution, a tax policy center, show that if the tax cuts are made permanent that the top one percent of households will gain an average of \$58,200 a year. By contrast, people in the middle of the income spectrum will secure just a 2.5 percent increase in the after-tax income, with average tax cuts of \$655, a little more than 1/90th of what those in the top 1 percent would receive.

So, again, these tax policies have failed. They have not turned around the economy. The economy is not improving by any standard. The only people that are benefiting from the tax policies and the Republican economic policies are essentially the very wealthy, the people that are in the top 1 percent income bracket.

I started out this evening, Mr. Speaker, by asking the question, are you better off than you were 4 years ago. Clearly, the answer is no.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. FROST (at the request of Ms. Pelosi) for today on account of personal reasons.

Mr. RYAN of Ohio (at the request of Ms. Pelosi) for today on account of a family emergency.

Mr. Ballenger (at the request of Mr. Delay) for today through September 20 on account of medical reasons.

Mr. Lucas of Oklahoma (at the request of Mr. Delay) for today on account of travel delays.

Mr. RENZI (at the request of Mr. DELAY) for today on account of attending the funeral of a friend.

Mr. TAUZIN (at the request of Mr. DELAY) for today and the balance of the week on account of medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mrs. McCarthy of New York) to revise and extend their remarks and include extraneous material:)

Mr. HINCHEY, for 5 minutes, today. Mrs. McCarthy of New York, for 5 minutes, today.

Mr. BLUMENAUER, for 5 minutes, today.

oday. Ms. Woolsey, for 5 minutes, today.

Mr. EMANUEL, for 5 minutes, today.

Mr. Brown of Ohio, for 5 minutes, today.

Mr. DEFAZIO, for 5 minutes, today.

Ms. Lee, for 5 minutes, today.

Mr. Conyers, for 5 minutes, today.

Ms. Kaptur, for 5 minutes, today. Ms. Jackson-Lee of Texas, for 5 min-

Ms. JACKSON-LEE of Texas, for 5 min utes, today.

Mr. STRICKLAND, for 5 minutes, today.

Mr. DAVIS of Illinois, for 5 minutes, today.

Mr. McDermott, for 5 minutes, today.

(The following Members (at the request of Mr. GINGREY) to revise and extend their remarks and include extraneous material:)

Mr. Burton of Indiana, for 5 minutes, today and September 8.

Mr. GINGREY, for 5 minutes, today.

(The following Member (at her own request) to revise and extend her remarks and include extraneous material:)

Ms. NORTON, for 5 minutes, today.

SENATE BILLS REFERRED

A bill, a joint resolution, and concurrent resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 2682. An act to designate the facility of the United States Postal Service located at 222 West 8th Street, Durango, Colorado, as the "Ben Nighthorse Campbell Post Office Building"; referred to the Committee on Government Reform.

S.J. Res. 41. Joint resolution commemorating the opening of the National Museum of the American Indian; referred to the Committee on House Administration.

S. Con. Res. 109. Concurrent resolution commending the United States Institute of Peace on the occasion of its 20th anniversary and recognizing the Institute for its contribution to international conflict resolution, referred to the Committee on International Relations.

S. Con. Res. 135. Concurrent Resolution authorizing the printing of a commemorative document in memory of the late President of the United States, Ronald Wilson Reagan; referred to the Committee on Administration.

ENROLLED BILLS SIGNED

Mr. Trandahl, Clerk of the House, reported and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 2443. An act to authorize appropriations for the Coast Guard for fiscal year 2005, to amend various laws administered by the Coast Guard, and for other purposes.

H.R. 3340. An act to redesignate the facilities of the United States Postal Service located at 7715 and 7748 S. Cottage Grove Avenue in Chicago, Illinois, as the "James E. Worsham Post Office" and the "James E. Worsham Carrier Annex Building", respectively, and for other purposes.

tively, and for other purposes. H.R. 3463. An act to amend titles III and IV of the Social Security Act to improve the administration of unemployment taxes and benefits

H.R. 4222. An act to designate the facility of the United States Postal Service located at 550 Nebraska Avenue, Kansas City, Kansas, as the "Newell George Post Office Building".

H.R. 4226. An act to amend title 49, United States Code, to make certain conforming changes to provisions governing the registration of aircraft and the recordation of instruments in order to implement the Convention on International Interests in Mobile Equipment and the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment, known as the "Cape Town Treaty".

H.R. 4327. An act to designate the facility of the United States Postal Service located at 7450 Natural Bridge Road in St. Louis, Missouri, as the "Vitilas 'Veto' Reid Post Office Building".

H.R. 4417. An act to modify certain deadlines pertaining to machine-readable, tamper-resistant entry and exit documents.

H.R. 4427. An act to designate the facility of the United States Postal Service located at 73 South Euclid Avenue in Montauk, New York, as the "Perry B. Duryea, Jr. Post Office".

H.R. 4613. An act making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes.

H.R. 4842. An act to implement the United States-Morocco Free Trade Agreement.

H.R. 4916. An act to provide an extension of highway, highway safety, motor carrier safety, transit, and other programs funded out of the Highway Trust Fund pending enactment of a law reauthorizing the Transportation Equity Act for the 21st Century.

H.R. 5005. An act to make emergency supplemental appropriations for the fiscal year ending September 30, 2004, for additional disaster assistance.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 2712. An act to preserve the ability of the Federal Housing Administration to insure mortgages under sections 238 and 519 of the National Housing Act.

BILLS PRESENTED TO THE PRESIDENT

Jeff Trandahl, Clerk of the House reports that on July 22, 2004, he presented to the President of the United States, for his approval, the following bills:

H.R. 1303. To amend the E-Government Act of 2002, with respect to rulemaking authority of the Judicial Conference.